

ALLOCATION OF EXPENSES

As allowed via County Financial Management System Manual Revised / Implemented January 1, 2014 Arkansas Code 14-21-101(a)

Key Concepts – Development and Control of Line Item Budgets on an Office / Departmental Basis

- Can be misleading when trying to determine actual costs of certain activities in County Government
- Causes the County to absorb certain costs & expenses that can be properly allocated to other taxing units as an operating cost
- Provides a better and more proper accounting of operating costs – particularly in the offices of Assessor, Tax Collector and County Treasurer, providing monetary relief in the operations of the County to the extent that all of the taxing units share in the cost of operating these particular offices (page 66-67 – County Financial Management System Manual)

Areas of Allocation:

Basis of Allocation

- | | |
|----------------------|-------------------------------------|
| - Accounting | - % of Budget |
| - Human Resources | - % of Employees |
| - Information Tech | - Budget (less Small Equip) / Users |
| - Security Officers | - % of Square Footage |
| - Maintenance | - % of Square Footage |
| ○ Utilities | |
| ○ Property Insurance | |
| ○ Leases | |
| ○ Personnel | |

Recommendations:

- Adopt via Ordinance the agreed upon methodology for Allocating and Prorating for the various offices - based upon reasonable & equitable basis
- Memorandum of Understanding
- Regular billings - (at least quarterly)